



OFFICE OF
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

MEMORANDUM FOR: Steven A. Musher
Associate Chief Counsel (International)

FROM: Matthew W. Frank, APA Program Director

DATE: January 19, 2007

SUBJECT: APA Quarterly Report for FY 2007,
First Quarter Ending 12/31/06

The following are the APA Program's results for the first quarter of FY 2007 ("Q1").

APAs Completed

The APA Program completed 40 APA matters in Q1, consisting of 15 bilateral APA matters and 25 unilateral APA matters.

Negotiating-Position Papers

The APA Program completed 32 bilateral negotiating position papers in Q1.

Annual Reports

The APA Program completed its review of and closed 108 annual reports in Q1.

New Matters

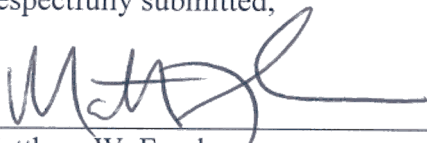
The APA Program received 14 new APA matters in Q1, including 8 bilateral matters and 6 unilateral APA matters. There were 2 withdrawals and 2 inventory adjustments (downward) during Q1.

APA Inventory

The APA Program has an ending inventory of 250 open matters.¹ This consists of 203 bilateral and 47 unilateral matters.²

Attached for your information is the APA issuance report and open inventory reports as of December 31, 2006. Please contact me at (202) 435-5222 if any additional information is required.

Respectfully submitted,



Matthew W. Frank
APA Program Director

Attachments

cc: LMSB Commissioner
Director, International
National Director of Appeals
LMSB Division Counsel

1. This equals beginning Q1 inventory of 280 matters, plus 14 receipts, less 40 closures, 2 withdrawals, and 2 inventory adjustments $\{280 + 14 - 40 - 2 - 2 = 250\}$.

2. The 250 open matters include 33 pending dollar filings (22 bilateral and 11 unilateral).
Thus

- The APA Program has an inventory of 217 active cases, i.e., 250 open matters less 33 pending dollar filings.
- The 217 active cases consist of 181 bilateral cases (203 total bilateral matters less 22 pending bilateral dollar filings) and 36 unilateral cases (47 total unilateral matters less 11 pending unilateral dollar filings).
- The APA Program has forwarded 106 of the 181 active bilateral matters to Competent Authority. Thus, the APA Program has a current working inventory of 111 cases, consisting of 75 bilateral (181 active bilateral cases less 106 forwarded to Competent Authority) and 36 active unilateral cases.